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EXPORT POSSIBILITIES FOR UNITED STATES MEAT OFFALS IN WESTERN EUROPE 1/

There is an excellent market for United States offal products in The Netherlands; a more limited market exists in Switzerland; and sales to Belgium could be increased, according to a preliminary survey of foreign markets conducted by the Foreign Agricultural Service. Potentially Sweden and the United Kingdom are markets for our products but controls on dollar exchange preclude sales in those countries. France is experiencing a meat surplus, is aggressively seeking export outlets for surplus meat, thus it is difficult to sell our products in that country.

There are a number of factors which limit sales of United States offal products abroad. Not only do American products compete with other exporting countries on a price basis, but they must conform with specific veterinary and sanitary requirements which differ materially by countries. Some products are excluded from certain European markets by the inspection laws of the individual countries. There may be substantial tariffs on imported supplies. As mentioned above, exchange regulations, ostensibly to conserve dollars, preclude the entry of United States products in such markets as the United Kingdom and Sweden.

United States meat offal products have a high consumer acceptability in Western Europe. In a number of countries prices are at such levels that a moderate amount of our products could be moved overseas.

The preliminary study revealed some factors which need to be considered if our products are to find a market abroad. The products should be so graded and packed that they will meet the preferences of customers in foreign lands. Some importers say they have not been able to line up sufficient quantities of suitable products at all times of the year from the United States and have looked to other countries as more constant sources of supply. This situation may be of a temporary nature. Within the past year prices of many of these products in the United States have reached levels which are more competitive in world markets than those prevailing since the end of World War II.

1/ Prepared by Grover J. Sims, largely on the basis of reports of U.S. Foreign Service Officers.

THE NETHERLANDS

There appears to be an excellent market for the sale of American beef tongues and whole livers in the Netherlands. The market for kidneys is good, but prospects for the sale of tripe and brains in that country are less favorable. The market for United States products could be further developed if more attention were paid to supplying products well suited to the foreign customers and if regular year-round shipments from the United States could be depended upon.

There has been some reluctance on the part of Dutch importers to bring in frozen beef tongues from the United States because the tongues have not been closely trimmed and contain too much fat and other undesirable material.

Livers are most desirable in whole uncut form. It is desirable that the livers originate from young cattle to assure freedom from stones. Prices of cut livers are much lower than uncut ones. Cut livers are usually used to make sausages and other prepared products while the whole ones may be sold fresh.

The Dutch trade has indicated that shipments of kidneys from middle-sized United States firms often vary greatly in quality. In addition the quantities available are too small for leading Dutch buyers for year-round trade. This suggests that increased sales abroad could be made by the pooling of quantities by small producers in the United States and if some means were available whereby supplies for export could be assembled for shipment on a regular basis.

Wholesale prices at The Hague in mid-May for various meat by-products are listed below. Normally prices vary considerable during the year in response to changes in demand and supply conditions. There is a tendency for prices to decline during periods of warm weather.

Prices in dollars per
100 pounds.

| | <u>Cattle</u> | <u>Hog</u> |
|-----------------------|---------------|------------|
| Tongues | 21.60 | 28.90 |
| Livers | 32.90 | 33.40 |
| Kidneys | 8.40 | 23.90 |
| Hearts | 14.50 | 14.50 |
| Tripe | 5.30 | - |
| Brains (per 100 sets) | 2.90 | - |

SWITZERLAND

There is a good outlet for the export of a limited amount of United States meat offal products to Switzerland. Export possibilities appear best for frozen ox tongues and frozen cooked tripe.

Swiss imports of all meats and meat animals reached a very high level in 1950 and 1951 but receded to comparatively low levels in 1953. Production of meat in Switzerland has been on the increase for several years but consumption has also increased. It now appears that consumption in 1954 will continue to rise but demand for meat will continue strong as a record tourist season is expected. Because of the good tourist business there is no dollar shortage in the country.

The United States has supplied only a small share of the imported products. American participation has been confined largely to frozen and preserved meats, averaging around 3 percent of the total Swiss imports of meat, excluding live animals for slaughter.

Total imports of meat and livestock for
slaughter in Switzerland, 1949-53

| Item | : 1949 | : 1950 | : 1951 | : 1952 | : 1953 |
|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | : 1,000 | : 1,000 | : 1,000 | : 1,000 | : 1,000 |
| | : <u>pounds</u> | : <u>pounds</u> | : <u>pounds</u> | : <u>pounds</u> | : <u>pounds</u> |
| <u>MEAT IMPORTS</u> | | | | | |
| Fresh meat | : | : | : | : | : |
| Veal | : 322 | : 412 | : 291 | : 258 | : 123 |
| Pork | : 18 | : 24 | : 11 | : 11 | : 18 |
| Other | : 1,704 | : 1,900 | : 3,108 | : 5,306 | : 2,478 |
| Ham, salted, smoked | : | : | : | : | : |
| cooked, cured, etc. | : 355 | : 176 | : 132 | : 93 | : 46 |
| Other salted, cured, meats | : 322 | : 46 | : 31 | : 40 | : 44 |
| Frozen beef and mutton | : 7,057 | : 5,941 | : 5,917 | : 5,697 | : 240 |
| Preserved meat | : | : | : | : | : |
| (including offals) | : 2,566 | : 2,813 | : 2,751 | : 3,402 | : 1,803 |
| Total | : 12,344 | : 11,314 | : 12,022 | : 13,666 | : 4,753 |

MEAT EQUIVALENT OF ANIMALS
IMPORTED FOR SLAUGHTER

| | | | | | |
|----------------------|----------|----------|----------|----------|---------|
| All meat animals, | : | : | : | : | : |
| carcass weight basis | : 23,076 | : 29,319 | : 27,769 | : 7,811 | : 2,458 |
| Total | : 35,420 | : 40,633 | : 39,791 | : 21,477 | : 7,216 |

Imports of offal products by Switzerland have not declined as much as imports of other meats in recent years. Imports from all countries of the 4 types of edible offals most likely to be supplied by United States sources totaled 1,583,000 pounds in 1953 compared with 2,066,000 a year earlier and 2,008,000 in 1951.

Imports of selected meat offal
products by Switzerland, 1951-53

| Item | : 1951 | : 1952 | : 1953 |
|-----------------------------|----------|----------|----------|
| | : 1,000 | : 1,000 | : 1,000 |
| | : pounds | : pounds | : pounds |
| Ox tongues | : 1,305 | : 1,226 | : 1,250 |
| Tripe | : 514 | : 653 | : 181 |
| Canned lunch tongues (pork) | : 143 | : 99 | : 33 |
| Sweetbreads | : 46 | : 88 | : 119 |
| Total | : 2,008 | : 2,066 | : 1,583 |

Source: Cooperative for the Supply of Livestock and Meat

The Swiss prefer to import frozen tongues and to salt and smoke them in that country. Swiss consumers are very particular about salted and cured meats as they are accustomed to meats processed with a minimum amount of salt. Only ox tongues find a ready market and importers prefer the so-called "Giger Cut" or short tongue weighing about 3½ pounds. Tongues may be imported as fresh, salted, cured, frozen or canned. Most of the imports are frozen but a few salted ones enter the country.

According to Swiss veterinary regulations, only cooked tripe may be imported. Frozen cooked or canned tripe may be shipped from the United States. Imports of frozen kidneys are permitted. Imports of fresh liver, kidneys and brains, separated from the carcass, are not allowed due to sanitary regulations. Liver separated from the carcass may be imported only in canned form.

Wholesale prices of meat offals in Switzerland are relatively high. Recent wholesale prices for frozen ox tongues have been reported at the equivalent of 74 United States cents per pound. Cooked unfrozen uncut tripe was recently reported to be worth 37 to 44 cents per pound at wholesale. The import duty of 50 Swiss francs per 100 kilograms is the equivalent of 5.29 cents per pound. In addition to the duty, a small statistical fee is collected on imports and there is a fee for veterinary inspection at the border. The statistical fee of 10 centimes per 100 kilograms is equal to about 1 cent per 100 pounds and the veterinary inspection fee for offals is slightly higher at 13 centimes per 100 kilograms.

Wholesale prices of beef tongues and tripe
in Switzerland and Swiss import duties

| Item | : Wholesale | : Import |
|-------------------|---------------|---------------|
| | : prices | : duty 1/ |
| | : Dollars per | : Dollars per |
| | : 100 pound | : 100 pound |
| Ox tongues: | | |
| Fresh | : 69.00-74.00 | : 5.29 |
| Frozen | : 74.00 | : 5.29 |
| Salted | : 69.00-74.00 | : 5.29 |
| Smoked | : 83.00-85.00 | : 5.29 |
| Tripe | | |
| Cooked, unfrozen: | | |
| Uncut | : 37.00-44.00 | : 5.29 |
| Cut | : 31.00-38.00 | : 5.29 |

1/ 50 Swiss francs per 100 kilograms

BELGIUM

Prices of offal products in Belgium indicate that more United States meat products could be sold in that country with further promotion. Offal products have a high consumer acceptance in Belgium. Apparently fresh meat offals may be imported only when adhering to the carcass. If separated from the carcass they must be salted. Imports of offals are not limited, no import licences are required and meat enter the country free from import duties.

According to official sources domestic production of offal products is sufficient for Belgium requirements. However, small quantities of salted liver are imported from the Netherlands.

Belgium imports small quantities of salted ox tongues from various sources. Many of the tongues are processed and canned in the country and are then re-exported.

Wholesale prices of selected fresh offal products in Belgium

| Item | : Cattle | : Hog |
|---------|---------------|---------------|
| | : Dollars per | : Dollars per |
| | : 100 pounds | : 100 pounds |
| Liver | : 25 | : 32 |
| Kidneys | : 20 | : 29 |
| Brains | : — | : 45 |
| Tongues | : 29 | : 34 |

SWEDEN

Potentially Sweden is a market for United States offal products, particularly liver, but the very tight dollar situation precludes any imports from dollar countries. At the present time dollars are allocated on a priority basis and are being used to buy items considered to be more important to the economy than meat.

Offals have a high consumer acceptance by the consumers in Sweden. Beef liver has been in short supply for a number of months. Recently fresh liver has been imported from Denmark and frozen liver from Uruguay. Smaller amounts of frozen products are shipped in from Argentina.

Import fees for meat into Sweden are 70 ore per kilogram (6 U.S. cents per pound) and in addition the tariff is 7 ore per kilogram (.6 U.S. cents per pound).

Wholesale prices for fresh meat offals in Sweden, May, 1954

| Item | : Cattle | : Hog | : Sheep |
|---------|-----------|-----------|-----------|
| | : Dollars | : Dollars | : Dollars |
| | : per 100 | : per 100 | : per 100 |
| | : pounds | : pounds | : pounds |
| Liver | : 47 | : 33 | : 18 |
| Kidneys | : 11-15 | : 26-28 | : 10 |
| Tongues | : 61-63 | : 35-38 | : 18 |

FRANCE

Possibilities for exporting United States meat offal products to France appear to be dull. Since last fall the French Government has been wrestling with a meat surplus. It has engaged in price support activities by purchasing meat and withholding it from the market in storage. The Government has sponsored an aggressive export program for meats and is seeking additional export outlets. (See Foreign Crops and Markets, March 29, 1954, page 268.)

UNITED KINGDOM

United States supplies of offals are excluded from the British market because no dollars are allocated for imports. The use of dollars for importing meat products, except beef, is prohibited. A specific quantity of dollars may be set aside for imports of beef from dollar areas but the amounts thus allocated have been extremely small.

The United Kingdom imports very large quantities of offals and, if it were not for the exchange controls, some United States products could be imported. The United Kingdom shipped in 57 percent of its requirements of bacon and ham last year and 40 percent of its total utilization of other meats and offals.

In prewar the United Kingdom was a fairly good market for offal products produced in the United States but American products had to compete with those of the Dominions, the Colonies and South American countries on a price basis for a share of the British market.